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8 UNITED STATES BANKRUPTCY COURT
9 NORTHERN DISTRICT OF CALIFORNIA

10 In Re:

Case No. 25-10088 WJL

11 Kingsborough Atlas Tree Surgery, Inc.

Chapter 11

12 Debtor.

13 NOTICE OF PROPOSED
14 ABANDONMENT OF PERSONAL
PROPERTY [11 USC § 554]

15 TO PARTIES IN INTEREST:

16 NOTICE IS HEREBY GIVEN that Kingsborough Atlas Tree Surgery, Inc. ("Debtor")
17 intends to abandon the following personal property pursuant to 11USC § 554: 2020 Bandit 18XP
18 Chipper; 2010 Bandit 19XP Chipper; 2020 Vermeer 42" Log Grappler; 2020 Vermeer
19 Rotating Grappler; 2020 Felling Equipment Trailer; 2010 Vermeer SC292 Stump Grinder (the
20 "Equipment"). Notice of the proposed abandonment is given pursuant to FRBP Rule 6007.

21 JURISDICTION AND VENUE

22 1. On February 20, 2025, an order for relief under Chapter 11 of Title 11 of the United
23 States Code was entered herein. Debtor is a debtor-in-possession.

24 2. This Court has subject matter jurisdiction over this matter pursuant to the provisions of
25 28 U.S.C .§§ 1334(b) and 157(b)(2)(A) and (O). Venue is proper here pursuant to the provisions
26 of 28 U.S.C. § 1409.

27 FACTUAL AND PROCEDURAL BACKGROUND

3. In June of 2023, Debtor entered an Asset Purchase Agreement (“APA”) with Anvil Builders and related entities (“Anvil”) wherein Debtor sold its tree care business to Anvil. Anvil contends that pursuant to the terms of sale Debtor granted to Anvil a security interest in all of the Debtor’s assets that includes the Equipment that is to be abandoned. Debtor disputes this contention.

4. On April 10, 2025, Debtor filed its Motion for Authority to Sell Personal Property wherein Debtor sought authority to sell the Equipment at the sale price of \$97,400, with the sale proceeds to be paid to Commercial Credit Group that holds an undisputed perfected security interest in the Customer List as security for Debtor's nearly \$2,000,000 obligation to Commercial Credit Group (Dkt No. 97). In addition to the \$2,000,000 blanket lien on the Debtor's equipment, the Small Business Administration has a junior blanket lien on the equipment to secure a loan with a principal balance of approximately \$175,000.

5. Anvil objected to Debtor's sale of the Equipment by asserting, among its several objections, that Anvil holds a security interest in the Equipment.

ABANDONMENT

6. 11 U.S.C. Section 554 provides that “[a]fter notice an a hearing, the trustee may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate.” The sale of the Equipment Debtor no longer utilizes would pay down Debtor’s obligation to Commercial Credit Group that would, combined with future sales of CCG’s collateral, create equity that would benefit junior lien holders, as well as the unsecured creditors. However, the cost to litigate Anvil’s claim to a security interest that is junior to more than \$2,000,000 in senior liens balanced against the benefit to the estate from the proposed sale renders the Equipment of inconsequential value and benefit to the estate and therefore should be abandoned.

OPPORTUNITY TO OBJECT

7. FRBP Rule 6007 provides:

1 Unless otherwise directed by the court, the trustee or debtor in possession shall
2 give notice of a proposed abandonment or disposition of property to the United
3 States Trustee [and] all creditors...A party in interest may file and serve an
4 objection within 14 days of the mailing of the notice, or within the time fixed by
the court.

5 If there is a timely objection a hearing will be held at 9:30 am on July 1, 2025 in the
6 courtroom of the Honorable William Lafferty, 1300 Clay Street, Room 220, Oakland, CA 94612.
7 Parties may participate in the hearing by video conference. The procedure for appearing by
8 Tele/Video Conference can be found at www.canb.uscourts.gov.

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10 Dated: June 11, 2025

/s/ Michael C. Fallon
Michael C. Fallon
Attorney for Debtor

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